

The Jewish Merchant

Typology and Stereotypology in Germany

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Typology is in the eye of the beholder. Any effort to establish a classification of the German-Jewish Merchant by type must grapple with the problem of multiple images. The Jewish community of Germany saw itself and its merchant members very differently from the way in which it was viewed by the larger German society; yet these two images, for all the difference between them, were not entirely independent of each other, the Jewish self-image in particular being strongly influenced by the judgment of the dominant group. Apart from these two images, there is, presumably, some kind of real merchant community, describable in terms of hard facts independent of social perceptions. On this level one can establish a taxonomy on the basis of distribution by occupation and income, regional and local characteristics, social behaviour and political affiliation. Occupational distribution is the simplest to discuss, for there are uneven and irregular census data on this point. Income distribution is another matter entirely, for the official tax statistics of the late nineteenth century make no reference to religion, and regarding social and political characteristics, we are reduced to impressions.

Still, some effort must be made to establish the reality behind the distorted images, not only for its own sake but for an understanding of the changing social perception. It is the interplay between these two that is in my opinion the most interesting and significant aspect of the larger problem. Nothing is duller in and of itself than typology. But changing typologies in a reciprocal dynamic of perception and reality are an exciting and universal feature of social history.

The civil and political situation of the Jewish community in pre-emancipation Germany varied from place to place and from one jurisdiction to another, but these differences were scarcely more than embroidery on a common fabric. In general the Jews were tolerated subjects, residing at the pleasure of the ruling prince and possessed of no rights other than those he chose to accord them. They were tolerated because they were useful. They engaged in economic activities that the resident non-Jewish population could not or would not perform; and they were invariably more or less confined to these interstitial activities. They were tolerated because they were a source of profit. They generated trade, hence toll and tax receipts, and since they had no rights of their own, they could be polled and levied at will. Even so, many states excluded them from residence and in large areas of western and southwestern Germany, it was only the tangle of political jurisdictions, of exclaves and enclaves, that enabled a relatively small Jewish population to find any shelter at all. Local princes or knights of the Empire found it advantageous to keep and raise "their" Jews like milk cows.

On the whole, the Jews of this period were desperately poor. The fiscal records

of the period show that their average fortune or income was substantially lower than that of the general population, which was poor enough, and the gap increases markedly if one excludes from the reckoning those more fortunate Jews who were permitted to reside in the cities. Many of these had bought their privileges of residence in the first place; that is, they were there because they had already achieved a certain degree of material success; and in general, the urban economy offered far more commercial opportunity than the countryside.

In both town and country, the Jew was denied access to almost the entire range of economic activity. Normal arts and crafts were closed to him, with the exception of those needed for the servicing of the community, such as kosher slaughtering, baking and the production of articles of worship. But the communities could, of course, support only a handful of these. The Jew was also forbidden to own land; hence agriculture was out of the question and, more serious in view of the economic realities, the Jew could not take land as security for loans. The term *Nothandel* was sometimes used to describe the area of activity left to the Jew, in other words in the irregular or distressed trades: old clothes, junk, pawnbroking, door-to-door peddling, moneylending (in many areas, the Jew was the only source of personal credit). Moneylending in rural areas inevitably brought the Jew into the trade in agricultural commodities, and since he could not lend against the security of land, he lent on the coming harvest. So we find Jews as horse and cattle dealers or traders in grain and vegetables.

The two striking characteristics of Jewish business were mobility of place and versatility, even spontaneity, of function. Since Jews were not ordinarily permitted to keep regular shops (*offene Läden*), they were compelled to seek out their customers or to engage in surreptitious trade within their ghetto rooms. Of necessity they were merchants without addresses. This want of stable premises, in combination with adventitious commercial contacts and precarious personal status, made for mercantile opportunism. Unlike the gentile merchant or artisan, who stuck carefully to his last and whose guild jealously defended his trade from trespass, the Jew was ready to deal (*handel*) in anything – *was ihm unter die Hände kommt*.¹

All of this activity was conducted under extremely adverse conditions. The Jew was ordinarily excluded from the regular markets, where he had to work through local Christian intermediaries. He had to pay a toll even to enter some of the market towns and fairs, often in circumstances of personal humiliation (“Jews and oxen”, so much), and then he often had to be out by nightfall and buy his way in the following day. If he was fortunate enough to purchase the privilege of residence in an otherwise closed city, he could not always pass it on to his children, or could leave it to one child at most, and then only on payment of a fine that in some places took the form of a forced purchase of the unsaleable products of some royal or privileged manufactory. He paid regular taxes

¹Reinhard Rürup, ‘Die Judenemanzipation in Baden’, *Zeitschrift für die Geschichte des Oberrheins*, N. F., LXXV, Band 114 (1966), p. 253, n. 50. This is the description of one man’s activity in returns to the Baden census of 1797. But it is clearly representative of a large number of these *Nothändler*, and Rürup notes that this renders an accurate occupational distribution impossible: the historian simply cannot put the pre-emancipation Jews into boxes.

through his community, which was severally liable for the full sum due, so that each Jew was personally responsible for the defaults of his neighbours. He was also subject to special levies on the occasion of such biographical landmarks as marriage, the birth of children, death. The general idea was to maintain the number of Jews at a low level and to make those who were permitted to stay pay for every head, for the establishment of a household, for the transmission of these privileges from one generation to the next.

That some Jews managed to overcome these handicaps and raise themselves to positions of wealth and occasionally of influence is remarkable. The rise of the so-called Court Jew reflects in part the adaptability and determination of a people long habituated to persecution and also the special advantages of cohesion in dispersion. The multitudinous rulers of early modern Germany found themselves caught up in a costly train of political and social ambitions. In time of war and crisis they needed emergency supplies. In time of peace, they needed the new trappings of pomp and circumstance. At all times they needed money. Few merchants possessed the connections and credit to assemble provisions on such a scale, or to obtain the foreign *objets de luxe* that gave elegance to an otherwise provincial court, or to raise the sums needed to sustain these tastes. On this level, the international types – the refugee Calvinists, the Jews, and in the Habsburg dominions, the Greeks – were at an advantage.

Still, the *Hofjuden* were the exception, a small overlay on the large mass of poor Jews who worked in the corners and interstices of the economy. The Court Jews are remembered for their prominence (by gentile definition, excessive), by their role as intercessors for their people (insofar as they did not choose to repudiate their people and join the majority), and on occasion by their spectacular victimisation as profiteers or speculators (one of the normal risks of the profession, but especially hazardous for Jews, who stood to lose their lives as well as their fortunes to the vengeance of dissatisfied clients). But when the time came to consider the question of civil rights for all Jews, contemporaries were perfectly aware that these *Hofjuden* were atypical and that they were being asked to emancipate miserable Jewish pedlars and hucksters rather than wealthy merchants and financiers. Indeed, the poverty and ignominious economic status of the Jews were among the principal arguments raised against their elevation to citizenship. The rest of society saw them as proof of material and moral degradation and it was easy to argue from this premise that citizenship should wait upon prior normalisation: let the Jews first stop doing what they do for a living and then they will be worthy of the civil rights of respectable burghers.

During the first half or first two-thirds of the nineteenth century, then, when emancipation was a sensitive political issue, the German-Jewish community was on statistical trial. Were they capable of *bürgerliche Verbesserung*, to use the words of Dohm's famous essay? The bureaucrats watched closely and counted heads, measuring the progress by the shift of the Jewish population out of the so-called destitute or irregular trades into "regular" occupations. Existing data make it clear that this shift was indeed taking place. Thus in Württemberg, where some 85.5% of the Jews employed were described as hucksters in 1812, the proportion

had dropped to 38.9% in 1837 and 17.7% in 1852.² In Baden the number of Jews engaged in irregular trade was presumably down to 27% of those gainfully occupied by 1833; in Prussia, by 1843, the share was even lower – 21.2% if one counts all small-scale traders, pedlars and dealers in second-hand clothing; 7.2% if one counts only those working exclusively in these branches. I say “presumably”, because earlier census figures, where available (not in the case of Prussia), do not distinguish between regular trade and *Nothandel*. Still, this seems a reasonable inference from the overall decline of the proportion of Jews making their living from trade – from 89 to 67.5% in Baden, for example. If anything, the share of “irregular trade” must have fallen even faster.

This shift of Jews out of trade in general, and out of peddling and other “lower” forms of trade in particular, antedated the achievement of complete emancipation. It reflected to some extent the fact that civil equality was achieved piecemeal, so that certain economic and professional freedoms were accorded, access to certain crafts, for example, well in advance of full civil and political citizenship. But it also reflected the needs and opportunities of a rapidly growing economy. Reinhard Rürup, in his superb analysis of the general pattern of emancipation in Germany, has argued persuasively that the variety of the Jewish condition was an impediment to progress, in other words, that the opponents of political and civil rights for Jews could and did appeal successfully to the experience and example of the most backward jurisdictions. Was this the same in the economic sphere? My own feeling is that here the opposite dynamic prevailed, that the tendency was to level up to the most liberal arrangements, firstly because these were generally the most efficient and prosperous, and secondly because the Jewish population tended over time to move in the direction of economic freedom. The relative importance of the institutional and economic determinants (emancipation versus market forces) is worth investigating and would presumably show up in a detailed analysis of the data for two Jewish groups living in the same state but endowed with unequal rights. One thinks in this connection of Prussia, which emancipated something over half of its Jews in 1812, while maintaining the rest in the substantially curtailed status of protected subjects.³

This movement of the Jewish population over the course of these years into places and occupations of greater opportunity is the most critical single element in determining the typology and stereotypology of the community. The flow was not peculiar to the Jews. The nineteenth century was one of heightened geographic and occupational mobility for everyone. But the Jews were unquestionably quicker than most to take advantage of these opportunities, for many reasons: the rootlessness imposed on them by their general exclusion from ownership of land and by the precariousness of their residence; the adaptability they

²These figures are taken from Reinhard Rürup, ‘Jewish Emancipation and Bourgeois Society’, in *LBI Year Book XIV* (1969), p. 82. Rürup warns that the figures are approximate owing to imprecision of definition and misleading returns; but the general trend is unmistakable.

³Rürup, *loc. cit.*, p. 82, notes that there are data for 1843 on Prussian Jews by province, which would allow for a comparison at one point of time. But what is really needed are figures over an interval, so that one could compare rates of change.

had learned in centuries of dodging persecution; the lack of ties to established businesses or professions. So it was that although the trend towards urbanisation was general, the Jews were the most urban segment of the German population. In 1871, 7% of all the Jews in Germany lived in one city, Berlin. By 1900 that figure was almost 16%. At that time, 46% of all Prussian Jews lived in cities of 200,000 or more inhabitants, compared with only 13% of the Christian population.⁴ By the same token, the Jews moved rapidly into the expanding branches of trade and the liberal professions, those tertiary activities (to use the jargon of the economist) that were complementary to the rapid expansion of manufacturing and the rise of an urban-industrial civilisation.

The Jews did not go into agriculture or industry, with the exception of those branches of manufacturing (the clothing trades, in particular) that grew directly out of their commercial interests and experience. Access to land ownership remained difficult, except for those few wealthy Jews who could afford to purchase large estates by way of social self-affirmation. On the level of the peasant cultivator, the Jew would have found it hard to buy and harder still to farm in the midst of a strange and often deeply antisemitic population. Besides, farming is not something to which pedlars and traders can turn easily. Industry, especially the new large-scale factory branches, was equally inhospitable: even could they have been hired, it would have meant Jews working in the midst of large numbers of non-Jewish workers. It was no less difficult for Jews to manage enterprises employing large numbers of non-Jews. In general, the Jews were most comfortable in those branches where they could sustain an independent activity. Hence the continued preference for commerce. In 1843, about half the Jews gainfully employed in Prussia were engaged in trade, and this proportion rose if anything in the decades that followed:

PRUSSIA

Distribution of Jewish Work Force by Occupation, Selected Years, 1861–1925.⁵ (Figures in parentheses give the Jewish share of the total work force in the branch concerned.)

	1861	1882	1907	1925
Agriculture	0.9 (0.0)	1.2	1.2	1.5 (0.1)
Industry and crafts	16.5 (0.4)	20.8	23.7	21.9 (0.6)
Commerce and banking	58.3 (21.0)	56.6	47.2	49.3 (5.0)*
Transport	0.4 (0.1)	0.4	0.6	0.4 (0.1)
Government and professions	2.9 (0.5)	4.0	6.7	8.7 (1.6)
Domestic service and miscellaneous wage labour	10.4 (2.9)	3.2	2.1	2.8 (0.6)
No occupation	10.6 —	13.8	18.5	15.4 —
Total	(0.9)			(1.1)

⁴Ezra Mendelsohn, in article on 'Jews' in *Marxism, Communism and Western Society: A Comparative Encyclopedia*, p. 421.

⁵Source: Genschel, *Die Verdrängung der Juden aus der deutschen Wirtschaft*, Göttingen 1966, p. 277, based on Jakob Lestschinsky, *Das wirtschaftliche Schicksal des deutschen Judentums*, Berlin 1932, pp. 85, 87, 89.

*Lestschinsky thinks that the proportion in Commerce and Trade in 1925 (49.3%) was temporarily increased by the dislocation resulting from the runaway inflation.

Given the fact that the vast majority of German Jews lived in Prussia, these proportions were also valid for the country as a whole. Thus the occupational census of 1907 showed 51% of the Jews in the *Reich* to be in trade, 22% in industry. For the general population, the proportions were reversed: 13% in commerce, 43% in industry.⁶

By the middle of the century, the majority of these Jews involved in trade were already established businessmen operating from fixed addresses. This was only to be expected. The general economic and social trend was away from peddling, which is the characteristic form of retail distribution in a rural, precommercial society with limited access to market centres but which cannot compete with the variety of stock and services that a regular shop can offer. As towns grew into cities and villages into towns, as the road network improved and was supplemented by the railway, the domain of the pedlar was circumscribed to the more isolated, hence poorer, sections of the country. The great fairs declined for similar reasons.

The salient Jewish occupational characteristics were thus (1) a distribution markedly skewed from that of the majority; and (2) a steady process of social and economic promotion through "success" in business, success being defined very modestly in terms of the rise out of "irregular" status into that of the respectable tradesman or merchant with an open shop or office and a fixed address.

This process of promotion was by no means limited to the first generation of the emancipation. On the contrary, it continued throughout the nineteenth century and into the twentieth, as first those Jews already in close contact with commercial centres, and then those farther out, were drawn into the stream of development. The Jews of Posen and the other Polish provinces of Prussia were particularly slow to assimilate commercially. More numerous and concentrated than their co-religionists to the west, less exposed to the intellectual currents of the Enlightenment, they had a stronger armature of traditional mores and values, indeed were closer to the Russian than to the German communal pattern. But by the middle of the century they were migrating in large numbers to the major urban centres, Breslau, Königsberg and above all Berlin, where their presence was noted, often disapprovingly, in all the markets. In 1843, at the time of the Prussian census cited above, about half the Jews in the kingdom lived in Posen. A decade later, the proportion was down to one third.⁷

There remained, therefore, throughout the nineteenth century a co-existence of new and old merchant types within the Jewish community. At the top of the hierarchy were the great merchant bankers, who traded in money, instruments of exchange, and credit, but also merchandise. This last tended to lose relative importance over time, for the growing complexity of business encouraged specialisation; still, the essence of merchant banking is its versatility, and the very nature of their credit transactions involved them in commerce. The greatest

⁶Mendelsohn, *loc. cit.*, p. 421.

⁷Data on the Jewish population of Posen show that it peaked around 1840 (give or take five years) and declined rapidly thereafter: 52,000 in 1815; 80,000 in 1837; 27,000 in 1910. Gottfried Schramm, 'Die Ostjuden als soziales Problem des 19. Jahrhunderts,' in Heinz Maus *et al.* eds., *Gesellschaft, Recht und Politik*, Neuwied and Berlin 1968, p. 356, n. 6.

of these houses – Bleichröder in Berlin, Oppenheim in Köln, Haber in Karlsruhe, Heine and Warburg in Hamburg, and of course Rothschild and others in Frankfurt – were very much like the Court Jews of the *Ancien Régime*. They were immensely rich and influential, and their role as contractors of government loans inevitably involved them in affairs of state and brought them into close social as well as business contact with the highest circles. Like their predecessors, only more so, they found it hard to resist the opportunities offered for social advancement *via* apostasy and intermarriage, so that by the end of the century, a large number of them were Jewish only by origin.

Beneath them was a whole hierarchy of functions and incomes. There were solid, often wealthy merchants, brokers and traders in urban real estate, some of whom won places in chambers of commerce and the much coveted title of *Kommerzienrat*. There was a much larger number of small traders and shopkeepers, down to the level of the family grocery or dry goods shop, to whom should be added those craftsmen such as tailors who combined industry and trade. However poor, these at least were independent. After them came the clerks, salespeople and sundry *Gehilfen*, often related. Small enterprises tended to be family projects. Finally, there were still many Jews operating in the interstices and on the fringes of the regular economy – *Winkelmakler* on the exchanges, runners and free-lancers in the luxury trades, traders in used articles and junk, pedlars and hucksters.

All of this completely balked the intentions of the reformers. The upward thrust of the highly mobile Jewish commercial community, in combination with its dual composition (new patterns alongside old), far from serving to reassure the Christian population, gave rise instead to resentment and even fear. The old charge of unreadiness for civil rights was now compounded by the sin of being too ready. Before, the Jews were too poor and disreputable; now they were too rich and ostentatiously respectable. What is more, there were enough of the old kind around to allow the antisemites to have things both ways. Hence the strictures against eastern Jews of a Gustav Freytag – but aren't too many of the German Jews much like these others? – He was disturbed in 1849 by the business behaviour of Polish and Galician visitors to Breslau:

"The position of Silesia on the frontier of Poland and Galicia favours a continual influx of Polish huckstering Jews [*Schacherjuden*], and this Jewish element that comes from the East begins its process of development in the first generation with us. The second generation goes to Berlin, the third to Frankfurt. Since it is here that the distillation begins, it follows that most of the filth remains with us."⁸)

Freytag was upset by the intensity of the eastern Jew, who would travel hundreds of kilometres, he noted, to collect a small debt. No Christian merchant would make so much ado over so little. To be sure, he adds by way of concession,

⁸The article, entitled, 'Die Juden in Breslau', appeared in *Die Grenzboten*, 8th year, 2nd half, 3rd vol., No. 30 (1849), 144–149. It was actually signed "A", but it was later reprinted in Freytag's *Vermischte Aufsätze*, and Ernest Kohn-Bramsted, *Aristocracy and the Middle Classes in Germany. Social Types in German Literature 1830–1900*, Chicago 1964, p. 134, accepts it as from Freytag. The above translation is from Bramsted.

there are a number of worthy Jewish houses in Breslau; but – always the “but” – “the great majority of the small Jewish businessmen still behave very much like their Polish neighbours.”⁹

Freytag’s cure for all this was compulsory assimilation; the Jew had too long been permitted to keep himself apart from his neighbours, and this self-segregation was incompatible with equal rights. The State must intervene. Tyranny? Perhaps; but rational and necessary. Think, he points out, how much the good Jew himself suffers from the manners of his co-religionists: “. . . among his brethren, all the petty junk [*kleiner Trödel*] of old, senseless usages and customs, from the nasal bawling [*näselndem Plärren*] of the prayers down to the goose grease they put on vegetables, [is] everywhere a source of discomfort, of painful embarrassment.”¹⁰

Freytag was no doubt accurate in some of his observations of the business behaviour of these Jewish visitors. Money was more important to them than to wealthier, established merchants, and they surely did bargain harder, because they had to. They were also loud and pushy, if they were not timid and fearful, ingratiating rather than civil. They spoke German with an accent and Yiddish (“jargon”) to one another. They dressed badly, often strangely. It is characteristic of this type of article that it does not confine itself to the particular but moves from nuances to generalities. This transposition of the discussion to a black-and-white framework was consummated by Freytag in *Soll und Haben*, one of the most widely read and influential German novels of the nineteenth century. Here he gave the reader a modern version of the medieval morality play, a tale of Jewish knavery versus Christian (German) integrity. Like the morality plays, it was at once a reflection and a reinforcement of popular attitudes. The ordinary German was not prepared to make distinctions between some Jews and others.

These popular attitudes of fear, resentment and hostility were considerably reinforced by the economic and social developments of the half-century from 1870 to 1920. In the short time at our disposal, we can merely review them quickly, drawing special attention to those directly deriving from or impinging on the role and status of Jewish merchants.

First there was the general economic and social crisis of the 1870s, whose effects worked themselves out over the succeeding generation. The resulting contraction was felt throughout Europe, but nowhere so acutely as in Germany and Austria, where the feverish speculation of the *Gründerjahre* set the stage for a brutal return to reality. The resulting depression was not as protracted as some historians have assumed, for all the indicators started upward again in the late seventies, and over the next two decades the German economy grew substantially faster than that of its neighbours. Even so, the crisis of the seventies inflicted a severe psychic trauma more lasting than the economic wound. It marked for many an end to euphoria and illusion nurtured by the thrill of victory, unification, and national aggrandisement. It signalled the presence of the serpent in the Garden, and once that realisation had dawned it was not hard

⁹*Ibid.*, p. 147.

¹⁰*Ibid.*, p. 149.

to identify the serpent. It was as usual, as always, the ever-tempting Jew, carrier and chief beneficiary of subversive values of modernism and materialism. The fact that the speculative boom of the early seventies had been fuelled in part by Jewish promoters, journalists, *Winkelmakler* and customer's men, crowding in on the fringes of the exchanges and drawing respectable, greedy people down in ruin (compare the theme of *Soll und Haben*) only proved the point.

Within the economic sector proper, these decades were marked by a substantial increase in the scale of enterprise, not only in transport and manufacturing, where machine and power technology had long imposed large units, but in commerce and banking as well. Everywhere the small family firm was hard pressed to survive in the face of the superior resources and efficiency of the impersonal, joint-stock, limited-liability corporation. In trade the great innovations were the consumers' and producers' co-operatives; the mail-order house, which took over a large proportion of the rural business; branch stores, which captured the provincial cities and towns; and the department store, which came to dominate retail distribution in the great urban centres. In banking the corresponding innovations were the joint-stock bank, a Franco-Belgian import that the Germans naturalised in the peculiarly central-European form of the all-purpose *Grossbank*; branch banking, which brought the services and facilities (also the relatively low charges) of the major markets to smaller centres throughout the country; and savings-and-loan banks, many of them sponsored by local authorities, others co-operative, which made credit available at low rates for the first time, especially in agricultural areas.

The changes in both branches owed something to Jewish enterprise, particularly the revolution in retail trade. Any history of the German department store is largely a history of Jewish houses, those of the Tietz brothers, Wertheim, the *Kaufhaus N. Israel*, the *Leinenhaus Grünfeld* and others. The story of the Tietzes, be it noted, is a kind of summary of the historical course of German-Jewish commercial success: the origins in peddling, euphemistically described in the biographies as the transport business; the opening of a small shop in Stralsund, of all places; the growth of the shop due to a policy of fixed prices, (that is, the antithesis of *Handeln*), low prices and satisfaction guaranteed; the move to larger urban centres and further expansion.

That Jews should have contributed so actively to these revolutions in business organisation and technique is doubly ironic, first because Jewish entrepreneurs were among the principal victims, and secondly because, as always, those non-Jews at whose expense it occurred, blamed the Jews for their misfortune. Let us examine each of these aspects in turn.

The effect of these innovations was to integrate and standardise the national market, incorporating those sectors and areas still dependent on older forms of distribution and credit into efficient, cheaper, modern circuits. But as we have seen, it was and always had been the role and *raison d'être* of the Jewish trader to fulfil the commercial requirements of those sectors that the guild-exclusivist, status-conscious *ständische Gesellschaft* had never really served. As a result, although all kinds of small commercial enterprise were hard hit by the new forms, Jewish

enterprise was hurt most, particularly in the eastern provinces, where consumer co-operatives took on a political character and aimed directly at the extrusion of the Jewish merchant; but also in southern Germany, where producer co-operatives put an end to the Jewish trade in livestock and agricultural products. Some of these victims of progress, following the dictum "if you can't lick 'em, you'd better join 'em", sought and found places in enemy territory. According to one estimate, 20% of the buyers at Leonhard Tietz in Köln before the First World War were former independent merchants. From 1895 to 1907, the number of Jewish self-employed in trade and transport fell from 80,105 to 78,396 while *Angestellte* increased from 14,997 to 22,901 (an additional 52.7%), and the number of employees (*Gehilfenpersonal*) rose from 38,349 to 40,309.¹¹

The blow to Jewish banking was, if anything, even more severe, for private banking was dominated by Jewish enterprise to an extent never reached in the retail trade. The effects of new forms of competition were accentuated by the Stock Exchange law of 1896, which put an end to trading in futures and put securities speculation on a cash basis. The effect was to create a demand for credit that the private banks, with their limited clientele and deposits, could not possibly meet. Within little more than a decade, the *Grossbanken* of Berlin had swallowed 164 private banks and 60 others; the provinces were the scene of a similar banquet. The trend continued after the War. In 1923, 57.5% of 2,144 private banks were Jewish in ownership and management; by 1930, 48.7% were, of the 994 that remained.¹² Paradoxically, one effect of the absorption of Jewish firms was an increase in the number of Jewish directors and executives of the non-Jewish joint-stock banks, conveying a spurious impression of continued Jewish influence. In fact, a good many of these obtained their posts as part of the deal that liquidated their own houses, so that their presence in the board rooms and offices of the corporate banks was the hectic flush of disease rather than the bloom of good health.

The fact that Jewish businessmen were among the chief, if not the chief, victims of these commercial and financial innovations, did little to console their non-Jewish victims, who tended rather to fix upon the Jewish contribution to these changes and to see in them one more example of a general semitic plot against good old German enterprise. This was especially true in the retail trade, where the great Jewish department stores became a focus of resentment and where the efforts of smaller Jewish merchants to defend themselves against these more efficient competitors by imitating their ways (the sin of too much adaptability) communicated the pressure to local neighbourhoods and small towns. It was in these last decades of the nineteenth century that the rising tide of economic lobbying caught up these hard-pressed commercial interests and gave rise to syndicates for the defence of the so-called middle classes. These were invariably conservative in outlook, like the artisan guilds that had preceded them in the struggle against the modern industrial economy, and as with guilds, their con-

¹¹Germany. Statistisches Amt, *Statistik des deutschen Reichs*, vol. 211: Berufs- und Betriebszählung vom 12. Juni 1907, pp. 252–253.

¹²*Ibid.*, pp. 35–36; Genschel, *op. cit.*, p. 286, who relies here on A. Marcus, *Die wirtschaftliche Krise des deutschen Juden*, p. 48.

demnation of the new market economy was also a condemnation of their Jewish competitors.¹³

It is certainly true that the new Jewish merchant of the multiple store, the fixed price, the eye-catching displays, the first-quality merchandise, "satisfaction guaranteed", did not fit the old image of the cunning, dishonest huckster. This was of no consequence as a new stereotype was ready to hand, of the Jew as spoiler, the restless trespasser on all domains, the ruthless price-cutter, the loud advertiser, the eternal tempter. This was the picture that Sombart drew in his controversial *Die Juden und das Wirtschaftsleben* (1911), written as a reply to Max Weber's essay on *The Protestant Ethic and the Rise of Capitalism*. (In fairness to Sombart, one should note that the one-sided character of his book was typical of his work in general; he liked to focus on one factor and blow it up out of all proportion; hence his other monographs on *War and Capitalism* and *Luxury and Capitalism*.) Sombart put his argument in pseudo-scholarly terms, adducing a large quantity of evidence, much of it trivial and a fair amount spurious or even absurd, in support of his contention that the Jews had made the modern capitalist economy. Rootless and restless, they had not allowed themselves to be bound by convention and the accepted norms of proper business behaviour. Coldly rational, they had pushed the material calculus of profit and loss to its logical consequence, without regard for human interests. According to Sombart, they had invented virtually every modern commercial institution, from instruments of exchange, to fixed prices, to competitive advertising, to securities of uniform denomination and securities speculation.

Most of this was inaccurate; the rest was highly exaggerated. Leaving questions of truth aside, however, there remains the question of the impact of the libel. Is it necessarily defamatory to accuse a group of inventing capitalism? The answer obviously depends on one's attitude towards capitalism. From the pen of Sombart, the allegation was intended to be derogatory, and it is no coincidence that at crucial points he relied explicitly on antisemitic sources, or that he later identified himself with National Socialism. As far as most of his readers were concerned, the message they read was that the Jews were responsible for the ugliest features of the modern market economy, the ruthless, competitive, inhuman elements. The realm of the Jew was not that of production or creativity (everyone knew that Jews were not given to agriculture or industry), but of exchange. The Jew bought cheaper and sold dearer. Here the Sombartian analysis merged with the old indictment of trade as a parasitical activity. It is a theme that goes back to the dawn of history, when agricultural populations first learned to resent the traders who seemed to batten on them and seemed to gather so much wealth with so little pain and effort. What does the peasant do?

¹³The intellectual definition of the tradesman's antisemitism goes back at least to Fourier, himself the son of a failed merchant who may have suffered from Jewish competition or possibly a particular instance or instances of dishonesty or sharp dealing by Jewish businessmen. Fourier does not say. But his doctrine is the socialism of the small man threatened by the purely pecuniary criteria of the market place and is virulent on the subject of Jewish business practice. In this regard, Fourier was surely not original, nor did German associations of tradesmen need to learn from him. Given the character of the commercial revolution and the Jewish role therein, antisemitism was an integral element of the non-Jewish shopkeeper's mental equipment.

He earns his bread with the sweat of his brow and he is at all times subject to the vagaries of weather, the ravages of disease and pests. What does the trader do? He takes the product of the peasant's labour and sells it at a profit. When he can, he falsifies the market by holding against future price rises or by agreements with other traders, always at the expense of the peasant and the consumer. This theme, which is bad economics but excellent ideology, recurs repeatedly in history in a wide variety of forms, in the Physiocratic doctrine that only agriculture is truly productive of wealth; in the Marxist system of national accounts, which omits commerce and similar services from the Gross National Product; in the distinction made by German antisemites between *nützliches* and *schädliches Kapital* (*Reichstag* Deputy Liebermann von Sonnenberg in 1893); or in the parallel popularised version of the Nazis, who spoke of *schaffendes* and *raffendes* capital. Within this historical context, the argument of Sombart implied that the Jews were the parasites *par excellence*.

Sombart's book received far more attention than it deserved. It should have been dismissed out of hand as a pseudo-scholarly hoax, a pedantic effort to confer, by the lavish use of polyglot footnote references, an academic respectability on arrant nonsense already current in plain German terms. Meanwhile Jewish scholars expended a flood of ink in an attempt at scholarly refutation where none was needed, while making no impression whatever upon the general consensus, where refutation by reason or evidence was impossible. The Jewish merchant could be more German than the Germans, more Biedermaier than his neighbours, a model of all the Teuton virtues, and the best he could earn would be the grudging pseudo-compliment that he was not like other Jews. And too often he took it as a compliment. There were other Jews around, now that the First World War had given a new impulse to refugee movement from the east,¹⁴ and these kept alive the old medieval stereotypes alongside the modern racist ones. To their insecure co-religionists, themselves only two or three generations removed from similar ways and appearance, these newcomers were a source of embarrassment and, they thought, danger. It was hard to understand that the danger had nothing to do with ways and appearance, and that those Jews who were working hardest at assimilation were, in the context of German society, their own worst enemies.

When catastrophe came in 1933, it came to a Jewish merchant community already sorely weakened by the silent revolution of the economy, working its effects in an increasingly antisemitic *milieu*. These reverses were aggravated by the runaway inflation of the twenties, which made the fortunes of some quick new men but destroyed many of the older houses, and then, after a few years of apparent prosperity, by the unprecedented collapse of the early thirties. This decline of the commercial community, moreover, still disproportionately large and hence disproportionately susceptible to economic reverses, was part of a general loss of Jewish vitality. From 1925 on, more German Jews were dying every year than were being born.

Yet weakness could not save them any more than strength, nor good form any

¹⁴In the early 1930s, almost one quarter of German Jews were immigrants from abroad (74,000) or from areas lost as a result of the defeat (41,000). Genschel, *op. cit.*, p. 20.

more than bad. The type changed, but the stereotype remained; or rather, the details of the stereotype altered enough to maintain and reinforce its antisemitic significance. In a short time, less than a century, the German-Jewish merchant travelled from the margins and interstices of the economy to its centre, and then back to the margin. A highly mobile group, always affirming themselves by their performance, they were sowers of change, but reapers of unchanging enmity. *Der ewige Jude!* No one was as quick in adjusting and adapting the *type* to fit the mould; it was the dark *stereotype*, clinging like a shadow, inconstant like a shadow, that never really changed.

